

**INFORMATION REDACTED
—WORK PRODUCT—**

—Original Message—

From: Reynolds, Randy S
Sent: Friday, January 23, 2004 12:44 PM
To: Lee, Lorraine
Subject: FW: Follow Up to Guinness

Lorraine,

here is a example of Costco putting leverage on distributors. Costco wants some distributors to change their prices after the posting deadline. This is not a reason we would grant an extension to change prices. If we want more "active supervision" we should say no. This involves Guinness Beer.

—Original Message—

From: Ensign, Heidi E
Sent: Friday, January 23, 2004 12:34 PM
To: 'Hogan, Tim'
Cc: Reynolds, Randy S
Subject: RE: Follow Up to Guinness

Ok now this concerns us, a retailer (Costco) is not supposed to be influencing either the suppliers or distributors pricing. Costco changing the game mid-stream is not a reason for granting the extension. I'll have to discuss this further with my manager. Also I have not heard from any of the distributors you've noted yet.

—Original Message—

From: Hogan, Tim [<mailto:tim.hogan@dlageo.com>]
Sent: Friday, January 23, 2004 12:29 PM
To: Ensign, Heidi E
Subject: RE: Follow Up to Guinness

Heidi,

This was a last minute change by Costco. Initially we were supposed to only be in a few outlets and continue to sell 15 packs in their other stores. Again this was taken in by Costco first and they changed the game plan mid-stream. We (like most people) have a difficult time dealing with Costco. I'm sure you can understand this. Our mistake was not anticipating this and having all of the distributors post immediately.

**DEFENDANT'S
EXHIBIT**

CASE
NO. C04-0360P

EXHIBIT
NO. 557

Resp to Costco RFP
1042

TX557-001

If this does not happen, we will be out of business essentially for more than 30 days because of the posting days. This will have a significant negative impact on our distributors and their business.

Please let me know what we need to do to get this done. I am throwing myself at the mercy of the court.

Thanks.

Tim Hogan

-----Original Message-----

From: Ensign, Heidi E [<mailto:HEC@LIQ.WA.GOV>]
Sent: Friday, January 23, 2004 10:30 AM
To: Hogan, Tim
Cc: Reynolds, Randy S
Subject: RE: Follow Up to Guinness

Tim, sorry but I'm in and out of meetings all day today, and to clarify this, it is their issue, it still goes against their record and they would have to have a really good reason as to why the posting was missed. Unfortunately the reason of not being notified is not going to help their cause....I noticed WWB was posted, they should have notified their subjobbers of the pricing change.

-----Original Message-----

From: Hogan, Tim [<mailto:tim.hogan@diageo.com>]
Sent: Friday, January 23, 2004 10:26 AM
To: Ensign, Heidi E
Subject: RE: Follow Up to Guinness

Heidi,

I will have each of our distributors send you an e-mail and / or call requesting an extension. Again, they did not send in the posting because of an oversight on our end. It was not their issue. We realized they had not posted and it was our mistake. Sorry for the confusion. Feel free to call me if you have any other questions. I will send out the note to my guy who handles these distributors and get this to you as quickly as possible.

Tim Hogan

-----Original Message-----

From: Ensign, Heidi E [<mailto:HEC@LIQ.WA.GOV>]
Sent: Friday, January 23, 2004 8:43 AM
To: Hogan, Tim
Cc: Reynolds, Randy S
Subject: RE: Follow Up to Guinness

Tim, I just realized your not the distributor or importer, Each of the distributors need to make this request for an extension I can't grant one based on the sales rep request, these will go against the individual distributor records, why haven't they contacted us when they found out they weren't posted?

-----Original Message-----

Resp to Costco RFP
1043

From: Hogan, Tim [mailto:tim.hogan@diageo.com]
Sent: Friday, January 23, 2004 8:34 AM
To: Ensign, Heidi E
Subject: Follow Up to Guinness

Heidi,

Please let me know if there is anything else that I need to do. We think we can turn this around (pending your approval of course) in a few hours. I am flying out today at 3:00 for meetings in California next week. If you need me after 1:00, feel free to call me on my cell phone.

again thanks for your assistance

Tim Hogan
Area Manager - Pacific Northwest
DIAGEO - Guinness USA
Office: 206-441-1725
Cell: 916-798-2487

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Resp to Costco RFP
1044

TX557-003

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Resp to Costco RFP
1045

TX557-004